

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The School Code is amended by changing Sections 1A-8, 1B-8, 1E-25, 1E-35, 1F-20, 1F-62, 17-1, 19-1, 19-8, 20-2, 20-3, and 20-5 as follows:

(105 ILCS 5/1A-8) (from Ch. 122, par. 1A-8)

Sec. 1A-8. Powers of the Board in Assisting Districts Deemed in Financial Difficulties. To promote the financial integrity of school districts, the State Board of Education shall be provided the necessary powers to promote sound financial management and continue operation of the public schools.

The State Superintendent of Education may require a school district, including any district subject to Article 34A of this Code, to share financial information relevant to a proper investigation of the district's financial condition and the delivery of appropriate State financial, technical, and consulting services to the district if the district (i) has been designated, through the State Board of Education's School District Financial Profile System, as on financial warning or financial watch status, (ii) has failed to file an annual financial report, annual budget, deficit reduction plan, or other financial information as required by law, or (iii) has been identified, through the district's annual audit or other financial and management information, as in serious financial difficulty in the current or next school year. In addition to financial, technical, and consulting services provided by the State Board of Education, at the request of a school district, the State Superintendent may provide for an independent financial consultant to assist the district review its financial condition and options.

The State Board of Education, after proper investigation of a district's financial condition, may certify that a district, including any district subject to Article 34A, is in financial difficulty when any of the following conditions occur:

(1) The district has issued school or teacher orders for wages as permitted in Sections 8-16, 32-7.2 and 34-76 of this Code, ~~or the district has issued funding bonds to retire teacher orders in 3 of the 5 last years;~~

(2) The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Sections 17-16, 34-23, 34-59 and 34-63 of this Code, or has issued short-term debt against 2 future revenue sources, such as, but not limited to, tax anticipation warrants and general State Aid certificates or tax anticipation warrants and revenue anticipation notes;

(3) The district has for 2 consecutive years shown an excess of expenditures and other financing uses over revenues and other financing sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations and Maintenance, Transportation, and Working Cash Funds;

(4) The district refuses to provide financial information or cooperate with the State Superintendent in an investigation of the district's financial condition. ~~The district had an enrollment of no fewer than 4,000 pupils during the 1997-1998 school year, has been previously certified to be in financial difficulty and requests to be recertified as a result of continuing financial problems. No recertification may be made under this item (4) after December 31, 1999.~~

No school district shall be certified by the State Board of Education to be in financial difficulty by reason of any of the above circumstances arising as a result of the failure of the county to make any distribution of property tax money due the

district at the time such distribution is due; or if the district clearly demonstrates to the satisfaction of the State Board of Education at the time of its determination that such condition no longer exists. If the State Board of Education certifies that a district in a city with 500,000 inhabitants or more is in financial difficulty, the State Board shall so notify the Governor and the Mayor of the city in which the district is located. The State Board of Education may require school districts certified in financial difficulty, except those districts subject to Article 34A, to develop, adopt and submit a financial plan within 45 days after certification of financial difficulty. The financial plan shall be developed according to guidelines presented to the district by the State Board of Education within 14 days of certification. Such guidelines shall address the specific nature of each district's financial difficulties. Any proposed budget of the district shall be consistent with the financial plan submitted to and approved by the State Board of Education.

A district certified to be in financial difficulty, other than a district subject to Article 34A, shall report to the State Board of Education at such times and in such manner as the State Board may direct, concerning the district's compliance with each financial plan. The State Board may review the district's operations, obtain budgetary data and financial statements, require the district to produce reports, and have access to any other information in the possession of the district that it deems relevant. The State Board may issue recommendations or directives within its powers to the district to assist in ~~assure~~ compliance with the financial plan. The district shall produce such budgetary data, financial statements, reports and other information and comply with such directives. If the State Board of Education determines that a district has failed to comply with its financial plan, the State Board of Education may rescind approval of the plan and appoint a Financial Oversight Panel for the district as provided in Section 1B-4. This action shall be taken only after

the district has been given notice and an opportunity to appear before the State Board of Education to discuss its failure to comply with its financial plan.

No bonds, notes, teachers orders, tax anticipation warrants or other evidences of indebtedness shall be issued or sold by a school district or be legally binding upon or enforceable against a local board of education of a district certified to be in financial difficulty unless and until the financial plan required under this Section has been approved by the State Board of Education.

Any financial watch list distributed by the State Board of Education pursuant to this Section shall designate those school districts on the watch list that would not otherwise be on the watch list were it not for the inability or refusal of the State of Illinois to make timely disbursements of any payments due school districts or to fully reimburse school districts for mandated categorical programs pursuant to reimbursement formulas provided in this School Code.

(Source: P.A. 89-235, eff. 8-4-95; 90-802, eff. 12-15-98.)

(105 ILCS 5/1B-8) (from Ch. 122, par. 1B-8)

Sec. 1B-8. There is created in the State Treasury a special fund to be known as the School District Emergency Financial Assistance Fund (the "Fund"). The School District Emergency Financial Assistance Fund shall consist of appropriations, loan repayments, grants from the federal government, and donations from any public or private source. Moneys in the Fund may be appropriated only to the Illinois Finance Authority and the State Board for those the purposes authorized under of this Article and Article 1F of this Code and for the purposes of Section 1F-62 of this Code. The appropriation may be allocated and expended by the State Board as grants to provide technical and consulting services to school districts to assess their financial condition and by the Illinois Finance Authority as ~~or~~ loans to school districts which are the subject of an approved petition for emergency financial assistance under Section 1B-4

or 1F-62 of this Code. Neither the State Board of Education nor the Illinois Finance Authority may collect any fees for providing these services. From the amount allocated to each such school district the State Board shall identify a sum sufficient to cover all approved costs of the Financial Oversight Panel established for the respective school district. If the State Board and State Superintendent of Education have not approved emergency financial assistance in conjunction with the appointment of a Financial Oversight Panel, the Panel's approved costs shall be paid from deductions from the district's general State aid.

The Financial Oversight Panel may prepare and file with the State Superintendent a proposal for emergency financial assistance for the school district and for its ~~the~~ operations budget ~~of the Panel~~. No expenditures shall be authorized by the State Superintendent until he or she has approved the proposal of the Panel, either as submitted or in such lesser amount determined by the State Superintendent.

The maximum amount of an emergency financial assistance loan which may be allocated to any school district under this Article, including moneys necessary for the operations of the Panel, shall not exceed \$4,000 ~~\$1,000~~ times the number of pupils enrolled in the school district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the local board and the Panel by the State Superintendent. An emergency financial assistance grant shall not exceed \$1,000 ~~\$250~~ times the number of such pupils. A district may receive both a loan and a grant.

The payment of an emergency State financial assistance grant or loan shall be subject to appropriation by the General Assembly. Emergency State financial assistance allocated and paid to a school district under this Article may be applied to any fund or funds from which the local board of education of that district is authorized to make expenditures by law.

Any emergency financial assistance proposed by the

Financial Oversight Panel and approved by the State Superintendent may be paid in its entirety during the initial year of the Panel's existence or spread in equal or declining amounts over a period of years not to exceed the period of the Panel's existence. All loan payments made from the School District Emergency Financial Assistance Fund for a school district shall be required to be repaid, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before the date on which the district's loan is approved by the State Board of Education, not later than the date the Financial Oversight Panel ceases to exist. The Panel shall establish and the Illinois Finance Authority ~~State Superintendent~~ shall approve the terms and conditions, including the schedule, of repayments. The schedule shall provide for repayments commencing July 1 of each year or upon each fiscal year's receipt of moneys from a tax levy for emergency financial assistance. Repayment shall be incorporated into the annual budget of the school district and may be made from any fund or funds of the district in which there are moneys available. Default on repayment is subject to the Illinois Grant Funds Recovery Act. When moneys are repaid as provided herein they shall not be made available to the local board for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by a school district shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the school district the Panel shall annually determine whether a separate local property tax levy is required. The board of any school district with a tax rate for educational purposes for the prior year of less than 120% of the maximum rate for educational purposes authorized by Section 17-2 shall provide for a separate tax levy for emergency financial assistance repayment purposes. Such tax levy shall

not be subject to referendum approval. The amount of the levy shall be equal to the amount necessary to meet the annual repayment obligations of the district as established by the Panel, or 20% of the amount levied for educational purposes for the prior year, whichever is less. However, no district shall be required to levy the tax if the district's operating tax rate as determined under Section 18-8 or 18-8.05 exceeds 200% of the district's tax rate for educational purposes for the prior year.

(Source: P.A. 92-855, eff. 12-6-02.)

(105 ILCS 5/1E-25)

Sec. 1E-25. General powers. The purposes of the Authority shall be to exercise financial control over the district and to furnish financial assistance so that the district can provide public education within the district's jurisdiction while permitting the district to meet its obligations to its creditors and the holders of its debt. Except as expressly limited by this Article, the Authority shall have all powers granted to a voluntary or involuntary Financial Oversight Panel and to a Financial Administrator under Article 1B of this Code and all other powers necessary to meet its responsibilities and to carry out its purposes and the purposes of this Article, including without limitation all of the following powers, provided that the Authority shall have no power to violate any statutory provision, to impair any contract or obligation of the district, or to terminate any employee without following the statutory procedures for such terminations set forth in this Code:

(1) To sue and to be sued.

(2) To make and execute contracts, leases, subleases and all other instruments or agreements necessary or convenient for the exercise of the powers and functions granted by this Article.

(3) To purchase real or personal property necessary or convenient for its purposes; to execute and deliver deeds

for real property held in its own name; and to sell, lease, or otherwise dispose of such of its property as, in the judgment of the Authority, is no longer necessary for its purposes.

(4) To appoint officers, agents, and employees of the Authority, including a chief executive officer, a chief fiscal officer, and a chief educational officer to administer and manage, under the direction of the Authority, the operations and educational programs of the district, in accordance with this Article and all other provisions of this Code; to define their duties and qualifications; and to fix their compensation and employee benefits.

(5) To transfer to the district such sums of money as are not required for other purposes.

(6) To borrow money and to issue obligations pursuant to this Article; to fund, refund, or advance refund the same; to provide for the rights of the holders of its obligations; and to repay any advances.

(7) Subject to the provisions of any contract with or for the benefit of the holders of its obligations, to purchase or redeem its obligations.

(8) To procure all necessary goods and services for the Authority in compliance with the purchasing laws and requirements applicable to the district.

(8.5) To take action on behalf of the district as the Authority deems necessary and in accordance with this Article and all other provisions of this Code, based on the recommendation of the chief executive officer, chief educational officer, or chief fiscal officer, and the district shall be bound by such action in all respects as if the action had been approved by the district itself.

(9) To do any and all things necessary or convenient to carry out its purposes and exercise the powers given to it by this Article.

(105 ILCS 5/1E-35)

Sec. 1E-35. Chief educational officer. Upon expiration of the contract of the school district's superintendent who is serving at the time the Authority is established, the Authority shall, following consultation with the district, employ a chief educational officer for the district. The chief educational officer shall report to the Authority or the chief executive officer appointed by the Authority.

The chief educational officer shall have authority to determine the agenda and order of business at school board meetings, as needed in order to carry forward and implement the objectives and priorities of the Authority in the administration and management of the district.

The chief educational officer shall have all of the powers and duties of a school district superintendent under this Code and such other duties as may be assigned by the Authority, in accordance with this Code. The district shall not thereafter employ a superintendent during the period that a chief educational officer is serving in the district. The chief educational officer shall hold a certificate with a superintendent endorsement issued under Article 21 of this Code.

(Source: P.A. 92-547, eff. 6-13-02.)

(105 ILCS 5/1F-20)

Sec. 1F-20. Members of Authority; meetings.

(a) Upon establishment of a School Finance Authority under Section 1F-15 of this Code, the State Superintendent shall within 15 days thereafter appoint 5 members to serve on a School Finance Authority for the district. Of the initial members, 2 shall be appointed to serve a term of 2 years and 3 shall be appointed to serve a term of 3 years. Thereafter, each member shall serve for a term of 3 years and until his or her successor has been appointed. The State Superintendent shall designate one of the members of the Authority to serve as its

Chairperson. In the event of vacancy or resignation, the State Superintendent shall, within 10 days after receiving notice, appoint a successor to serve out that member's term. The State Superintendent may remove a member for incompetence, malfeasance, neglect of duty, or other just cause.

Members of the Authority shall be selected primarily on the basis of their experience and education in financial management, with consideration given to persons knowledgeable in education finance. Two members of the Authority shall be residents of the school district that the Authority serves. A member of the Authority may not be a member of the district's school board or an employee of the district nor may a member have a direct financial interest in the district.

Authority members shall be paid a stipend approved by the State Superintendent of not more than \$100 per meeting and ~~serve without compensation, but~~ may be reimbursed by the State Board for travel and other necessary expenses incurred in the performance of their official duties. Unless paid from bonds issued under Section 1F-65 of this Code, the amount reimbursed members for their expenses shall be charged to the school district as part of any emergency financial assistance and incorporated as a part of the terms and conditions for repayment of the assistance or shall be deducted from the district's general State aid as provided in Section 1B-8 of this Code.

The Authority may elect such officers as it deems appropriate.

(b) The first meeting of the Authority shall be held at the call of the Chairperson. The Authority shall prescribe the times and places for its meetings and the manner in which regular and special meetings may be called and shall comply with the Open Meetings Act.

Three members of the Authority shall constitute a quorum. When a vote is taken upon any measure before the Authority, a quorum being present, a majority of the votes of the members voting on the measure shall determine the outcome.

(Source: P.A. 92-855, eff. 12-6-02.)

(105 ILCS 5/1F-62)

Sec. 1F-62. School District Emergency Financial Assistance Fund; grants and loans.

(a) Moneys in the School District Emergency Financial Assistance Fund established under Section 1B-8 of this Code may be allocated and expended by the State Board as grants to provide technical and consulting services to school districts to assess their financial condition and by the Illinois Finance Authority for emergency financial assistance loans to a School Finance ~~an~~ Authority that petitions for emergency financial assistance. An emergency financial assistance loan to a School Finance ~~an~~ Authority or borrowing from sources other than the State shall not be considered as part of the calculation of a district's debt for purposes of the limitation specified in Section 19-1 of this Code. From the amount allocated to each School Finance Authority, the State Board shall identify a sum sufficient to cover all approved costs of the School Finance Authority. If the State Board and State Superintendent have not approved emergency financial assistance in conjunction with the appointment of a School Finance Authority, the Authority's approved costs shall be paid from deductions from the district's general State aid.

The School Finance Authority may prepare and file with the State Superintendent a proposal for emergency financial assistance for the school district and for its operations budget. No expenditures shall be authorized by the State Superintendent until he or she has approved the proposal of the School Finance Authority, either as submitted or in such lesser amount determined by the State Superintendent.

(b) The amount of an emergency financial assistance loan that may be allocated to a School Finance ~~an~~ Authority under this Article, including moneys necessary for the operations of the School Finance Authority, and borrowing from sources other than the State shall not exceed, in the aggregate, \$4,000 times

the number of pupils enrolled in the district during the school year ending June 30 prior to the date of approval by the State Board of the petition for emergency financial assistance, as certified to the school board and the School Finance Authority by the State Superintendent. However, this limitation does not apply to borrowing by the district secured by amounts levied by the district prior to establishment of the School Finance Authority. An emergency financial assistance grant shall not exceed \$1,000 times the number of such pupils. A district may receive both a loan and a grant.

(c) The payment of a State emergency financial assistance grant or loan shall be subject to appropriation by the General Assembly. State emergency financial assistance allocated and paid to a School Finance ~~an~~ Authority under this Article may be applied to any fund or funds from which the School Finance Authority is authorized to make expenditures by law.

(d) Any State emergency financial assistance proposed by the School Finance Authority and approved by the State Superintendent may be paid in its entirety during the initial year of the School Finance Authority's existence or spread in equal or declining amounts over a period of years not to exceed the period of the School Finance Authority's existence. The State Superintendent shall not approve any loan to the School Finance Authority unless the School Finance Authority has been unable to borrow sufficient funds to operate the district.

All loan payments made from the School District Emergency Financial Assistance Fund to a School Finance ~~an~~ Authority shall be required to be repaid not later than the date the School Finance Authority ceases to exist, with simple interest over the term of the loan at a rate equal to 50% of the one-year Constant Maturity Treasury (CMT) yield as last published by the Board of Governors of the Federal Reserve System before the date on which the School Finance Authority's loan is approved by the State Board.

The School Finance Authority shall establish and the Illinois Finance Authority ~~State Superintendent~~ shall approve

the terms and conditions of the loan, including the schedule of repayments. The schedule shall provide for repayments commencing July 1 of each year or upon each fiscal year's receipt of moneys from a tax levy for emergency financial assistance. Repayment shall be incorporated into the annual budget of the district and may be made from any fund or funds of the district in which there are moneys available. Default on repayment is subject to the Illinois Grant Funds Recovery Act. When moneys are repaid as provided in this Section, they shall not be made available to the School Finance Authority for further use as emergency financial assistance under this Article at any time thereafter. All repayments required to be made by a School Finance ~~an~~ Authority shall be received by the State Board and deposited in the School District Emergency Financial Assistance Fund.

In establishing the terms and conditions for the repayment obligation of the School Finance Authority, the School Finance Authority shall annually determine whether a separate local property tax levy is required to meet that obligation. The School Finance Authority shall provide for a separate tax levy for emergency financial assistance repayment purposes. This tax levy shall not be subject to referendum approval. The amount of the levy shall not exceed the amount necessary to meet the annual emergency financial repayment obligations of the district, including principal and interest, as established by the School Finance Authority.

(Source: P.A. 92-855, eff. 12-6-02.)

(105 ILCS 5/17-1) (from Ch. 122, par. 17-1)

Sec. 17-1. Annual Budget. The board of education of each school district under 500,000 inhabitants shall, within or before the first quarter of each fiscal year, adopt and file with the State Board of Education an annual balanced budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed

for each object or purpose.

The budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education and therein shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in this Section shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting.

To the extent that a school district's budget is not balanced, the district shall also adopt and file with the State Board of Education a deficit reduction plan to balance the district's budget within 3 years. The deficit reduction plan must be filed at the same time as the budget, but the State Superintendent of Education may extend this deadline if the situation warrants.

The board of education of each district shall fix a fiscal year therefor. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy due to be made in such fiscal year shall be made, then such annual budget shall be adopted prior to the time such tax levy shall be made. The failure by a board of education of any district to adopt an annual budget, or to comply in any respect with the provisions of this Section, shall not affect the validity of any tax levy of the district otherwise in conformity with the law. With respect to taxes levied either before, on, or after the

effective date of this amendatory Act of the 91st General Assembly, (i) a tax levy is made for the fiscal year in which the levy is due to be made regardless of which fiscal year the proceeds of the levy are expended or are intended to be expended, and (ii) except as otherwise provided by law, a board of education's adoption of an annual budget in conformity with this Section is not a prerequisite to the adoption of a valid tax levy and is not a limit on the amount of the levy.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days prior to final action thereon. At least 1 public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing. If there is no newspaper published in such district, notice of such public hearing shall be given by posting notices thereof in 5 of the most public places in such district. It shall be the duty of the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

Beginning July 1, 1976, the board of education, or regional superintendent, or governing board responsible for the administration of a joint agreement shall, by September 1 of each fiscal year thereafter, adopt an annual budget for the joint agreement in the same manner and subject to the same requirements as are provided in this Section.

The State Board of Education shall exercise powers and duties relating to budgets as provided in Section 2-3.27 ~~2-3.27~~ of this Code and shall require school districts to

submit their annual budgets, deficit reduction plans, and other financial information, including revenue and expenditure reports and borrowing and interfund transfer plans, in such form and within the timelines designated by the State Board of Education Act.

By fiscal year 1982 all school districts shall use the Program Budget Accounting System.

In the case of a school district receiving emergency State financial assistance under Article 1B, the school board shall also be subject to the requirements established under Article 1B with respect to the annual budget.

(Source: P.A. 91-75, eff. 7-9-99.)

(105 ILCS 5/19-1) (from Ch. 122, par. 19-1)

Sec. 19-1. Debt limitations of school districts.

(a) School districts shall not be subject to the provisions limiting their indebtedness prescribed in "An Act to limit the indebtedness of counties having a population of less than 500,000 and townships, school districts and other municipal corporations having a population of less than 300,000", approved February 15, 1928, as amended.

No school districts maintaining grades K through 8 or 9 through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 6.9% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes

or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

Notwithstanding the provisions of any other law to the contrary, in any case in which the voters of a school district have approved a proposition for the issuance of bonds of such school district at an election held prior to January 1, 1979, and all of the bonds approved at such election have not been issued, the debt limitation applicable to such school district during the calendar year 1979 shall be computed by multiplying the value of taxable property therein, including personal property, as ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness, by the percentage limitation applicable to such school district under the provisions of this subsection (a).

(b) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, additional indebtedness may be incurred in an amount not to exceed the estimated cost of acquiring or improving school sites or constructing and equipping additional building facilities under the following conditions:

(1) Whenever the enrollment of students for the next school year is estimated by the board of education to increase over the actual present enrollment by not less than 35% or by not less than 200 students or the actual present enrollment of students has increased over the previous school year by not less than 35% or by not less than 200 students and the board of education determines that additional school sites or building facilities are required as a result of such increase in enrollment; and

(2) When the Regional Superintendent of Schools having jurisdiction over the school district and the State Superintendent of Education concur in such enrollment projection or increase and approve the need for such

additional school sites or building facilities and the estimated cost thereof; and

(3) When the voters in the school district approve a proposition for the issuance of bonds for the purpose of acquiring or improving such needed school sites or constructing and equipping such needed additional building facilities at an election called and held for that purpose. Notice of such an election shall state that the amount of indebtedness proposed to be incurred would exceed the debt limitation otherwise applicable to the school district. The ballot for such proposition shall state what percentage of the equalized assessed valuation will be outstanding in bonds if the proposed issuance of bonds is approved by the voters; or

(4) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if the school board determines that additional facilities are needed to provide a quality educational program and not less than 2/3 of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose; or

(5) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if (i) the school district has previously availed itself of the provisions of paragraph (4) of this subsection (b) to enable it to issue bonds, (ii) the voters of the school district have not defeated a proposition for the issuance of bonds since the referendum described in paragraph (4) of this subsection (b) was held, (iii) the school board determines that additional facilities are needed to provide a quality educational program, and (iv) a majority of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose.

In no event shall the indebtedness incurred pursuant to this subsection (b) and the existing indebtedness of the school district exceed 15% of the value of the taxable property therein to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness provided for by this subsection (b) shall be in addition to and in excess of any other debt limitation.

(c) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, in any case in which a public question for the issuance of bonds of a proposed school district maintaining grades kindergarten through 12 received at least 60% of the valid ballots cast on the question at an election held on or prior to November 8, 1994, and in which the bonds approved at such election have not been issued, the school district pursuant to the requirements of Section 11A-10 may issue the total amount of bonds approved at such election for the purpose stated in the question.

(d) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) and (2) of this subsection (d) may incur an additional indebtedness in an amount not to exceed \$4,500,000, even though the amount of the additional indebtedness authorized by this subsection (d), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (d), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable to that district under subsection (a):

(1) The additional indebtedness authorized by this subsection (d) is incurred by the school district through the issuance of bonds under and in accordance with Section

17-2.11a for the purpose of replacing a school building which, because of mine subsidence damage, has been closed as provided in paragraph (2) of this subsection (d) or through the issuance of bonds under and in accordance with Section 19-3 for the purpose of increasing the size of, or providing for additional functions in, such replacement school buildings, or both such purposes.

(2) The bonds issued by the school district as provided in paragraph (1) above are issued for the purposes of construction by the school district of a new school building pursuant to Section 17-2.11, to replace an existing school building that, because of mine subsidence damage, is closed as of the end of the 1992-93 school year pursuant to action of the regional superintendent of schools of the educational service region in which the district is located under Section 3-14.22 or are issued for the purpose of increasing the size of, or providing for additional functions in, the new school building being constructed to replace a school building closed as the result of mine subsidence damage, or both such purposes.

(e) (Blank). ~~Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (5) of this subsection (c) may, without referendum, incur an additional indebtedness in an amount not to exceed the lesser of \$5,000,000 or 1.5% of the value of the taxable property within the district even though the amount of the additional indebtedness authorized by this subsection (c), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring that additional indebtedness, causes the aggregate indebtedness of the district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that district under subsection (a):~~

~~(1) The State Board of Education certifies the school~~

~~district under Section 19-1.5 as a financially distressed district.~~

~~(2) The additional indebtedness authorized by this subsection (c) is incurred by the financially distressed district during the school year or school years in which the certification of the district as a financially distressed district continues in effect through the issuance of bonds for the lawful school purposes of the district, pursuant to resolution of the school board and without referendum, as provided in paragraph (5) of this subsection.~~

~~(3) The aggregate amount of bonds issued by the financially distressed district during a fiscal year in which it is authorized to issue bonds under this subsection does not exceed the amount by which the aggregate expenditures of the district for operational purposes during the immediately preceding fiscal year exceeds the amount appropriated for the operational purposes of the district in the annual school budget adopted by the school board of the district for the fiscal year in which the bonds are issued.~~

~~(4) Throughout each fiscal year in which certification of the district as a financially distressed district continues in effect, the district maintains in effect a gross salary expense and gross wage expense freeze policy under which the district expenditures for total employee salaries and wages do not exceed such expenditures for the immediately preceding fiscal year. Nothing in this paragraph, however, shall be deemed to impair or to require impairment of the contractual obligations, including collective bargaining agreements, of the district or to impair or require the impairment of the vested rights of any employee of the district under the terms of any contract or agreement in effect on the effective date of this amendatory Act of 1994.~~

~~(5) Bonds issued by the financially distressed~~

~~district under this subsection shall bear interest at a rate not to exceed the maximum rate authorized by law at the time of the making of the contract, shall mature within 40 years from their date of issue, and shall be signed by the president of the school board and treasurer of the school district. In order to issue bonds under this subsection, the school board shall adopt a resolution fixing the amount of the bonds, the date of the bonds, the maturities of the bonds, the rates of interest of the bonds, and their place of payment and denomination, and shall provide for the levy and collection of a direct annual tax upon all the taxable property in the district sufficient to pay the principal and interest on the bonds to maturity. Upon the filing in the office of the county clerk of the county in which the financially distressed district is located of a certified copy of the resolution, it is the duty of the county clerk to extend the tax therefor in addition to and in excess of all other taxes at any time authorized to be levied by the district. If bond proceeds from the sale of bonds include a premium or if the proceeds of the bonds are invested as authorized by law, the school board shall determine by resolution whether the interest earned on the investment of bond proceeds or the premium realized on the sale of the bonds is to be used for any of the lawful school purposes for which the bonds were issued or for the payment of the principal indebtedness and interest on the bonds. The proceeds of the bond sale shall be deposited in the educational purposes fund of the district and shall be used to pay operational expenses of the district. This subsection is cumulative and constitutes complete authority for the issuance of bonds as provided in this subsection, notwithstanding any other law to the contrary.~~

(f) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds in not to exceed the aggregate amount of \$5,500,000 and issued by a school district

meeting the following criteria shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness:

(1) At the time of the sale of such bonds, the board of education of the district shall have determined by resolution that the enrollment of students in the district is projected to increase by not less than 7% during each of the next succeeding 2 school years.

(2) The board of education shall also determine by resolution that the improvements to be financed with the proceeds of the bonds are needed because of the projected enrollment increases.

(3) The board of education shall also determine by resolution that the projected increases in enrollment are the result of improvements made or expected to be made to passenger rail facilities located in the school district.

Notwithstanding the provisions of subsection (a) of this Section or of any other law, a school district that has availed itself of the provisions of this subsection (f) prior to July 22, 2004 (the effective date of Public Act 93-799) ~~this amendatory Act of the 93rd General Assembly~~ may also issue bonds approved by referendum up to an amount, including existing indebtedness, not exceeding 25% of the equalized assessed value of the taxable property in the district if all of the conditions set forth in items (1), (2), and (3) of this subsection (f) are met.

(g) Notwithstanding the provisions of subsection (a) of this Section or any other law, bonds in not to exceed an aggregate amount of 25% of the equalized assessed value of the taxable property of a school district and issued by a school district meeting the criteria in paragraphs (i) through (iv) of this subsection shall not be considered indebtedness for purposes of any statutory limitation and may be issued pursuant to resolution of the school board in an amount or amounts,

including existing indebtedness, in excess of any statutory limitation of indebtedness heretofore or hereafter imposed:

(i) The bonds are issued for the purpose of constructing a new high school building to replace two adjacent existing buildings which together house a single high school, each of which is more than 65 years old, and which together are located on more than 10 acres and less than 11 acres of property.

(ii) At the time the resolution authorizing the issuance of the bonds is adopted, the cost of constructing a new school building to replace the existing school building is less than 60% of the cost of repairing the existing school building.

(iii) The sale of the bonds occurs before July 1, 1997.

(iv) The school district issuing the bonds is a unit school district located in a county of less than 70,000 and more than 50,000 inhabitants, which has an average daily attendance of less than 1,500 and an equalized assessed valuation of less than \$29,000,000.

(h) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27.6% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$24,000,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which buildings were originally constructed not less than 40 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after March 19, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2

through 19-7 of this Code.

(i) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$44,600,000;

(ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which existing buildings were originally constructed not less than 80 years ago;

(iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after December 31, 1996; and

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(j) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$140,000,000 and a best 3 months average daily attendance for the 1995-96 school year of at least 2,800;

(ii) The bonds are issued to purchase a site and build and equip a new high school, and the school district's existing high school was originally constructed not less than 35 years prior to the sale of the bonds;

(iii) At the time of the sale of the bonds, the board

of education determines by resolution that a new high school is needed because of projected enrollment increases;

(iv) At least 60% of those voting in an election held after December 31, 1996 approve a proposition for the issuance of the bonds; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(k) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (4) of this subsection (k) may issue bonds to incur an additional indebtedness in an amount not to exceed \$4,000,000 even though the amount of the additional indebtedness authorized by this subsection (k), when incurred and added to the aggregate amount of indebtedness of the school district existing immediately prior to the school district incurring such additional indebtedness, causes the aggregate indebtedness of the school district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that school district under subsection (a):

(1) the school district is located in 2 counties, and a referendum to authorize the additional indebtedness was approved by a majority of the voters of the school district voting on the proposition to authorize that indebtedness;

(2) the additional indebtedness is for the purpose of financing a multi-purpose room addition to the existing high school;

(3) the additional indebtedness, together with the existing indebtedness of the school district, shall not exceed 17.4% of the value of the taxable property in the school district, to be ascertained by the last assessment for State and county taxes; and

(4) the bonds evidencing the additional indebtedness are issued, if at all, within 120 days of the effective

date of this amendatory Act of 1998.

(1) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 2000, a school district maintaining grades kindergarten through 8 may issue bonds up to an amount, including existing indebtedness, not exceeding 15% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the district has an equalized assessed valuation for calendar year 1996 of less than \$10,000,000;

(ii) the bonds are issued for capital improvement, renovation, rehabilitation, or replacement of one or more school buildings of the district, which buildings were originally constructed not less than 70 years ago;

(iii) the voters of the district approve a proposition for the issuance of the bonds at a referendum held on or after March 17, 1998; and

(iv) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(m) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, an elementary school district maintaining grades K through 8 may issue bonds up to an amount, excluding existing indebtedness, not exceeding 18% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 1995 or less than \$7,700,000;

(ii) The school district operates 2 elementary attendance centers that until 1976 were operated as the attendance centers of 2 separate and distinct school districts;

(iii) The bonds are issued for the construction of a new elementary school building to replace an existing multi-level elementary school building of the school district that is not handicapped accessible at all levels

and parts of which were constructed more than 75 years ago;

(iv) The voters of the school district approve a proposition for the issuance of the bonds at a referendum held after July 1, 1998; and

(v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(n) Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, a school district that meets all of the criteria set forth in paragraphs (i) through (vi) of this subsection (n) may incur additional indebtedness by the issuance of bonds in an amount not exceeding the amount certified by the Capital Development Board to the school district as provided in paragraph (iii) of this subsection (n), even though the amount of the additional indebtedness so authorized, when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (n), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable by law to that district:

(i) The school district applies to the State Board of Education for a school construction project grant and submits a district facilities plan in support of its application pursuant to Section 5-20 of the School Construction Law.

(ii) The school district's application and facilities plan are approved by, and the district receives a grant entitlement for a school construction project issued by, the State Board of Education under the School Construction Law.

(iii) The school district has exhausted its bonding capacity or the unused bonding capacity of the district is less than the amount certified by the Capital Development Board to the district under Section 5-15 of the School Construction Law as the dollar amount of the school

construction project's cost that the district will be required to finance with non-grant funds in order to receive a school construction project grant under the School Construction Law.

(iv) The bonds are issued for a "school construction project", as that term is defined in Section 5-5 of the School Construction Law, in an amount that does not exceed the dollar amount certified, as provided in paragraph (iii) of this subsection (n), by the Capital Development Board to the school district under Section 5-15 of the School Construction Law.

(v) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after the criteria specified in paragraphs (i) and (iii) of this subsection (n) are met.

(vi) The bonds are issued pursuant to Sections 19-2 through 19-7 of the School Code.

(o) Notwithstanding any other provisions of this Section or the provisions of any other law, until November 1, 2007, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 20% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) the school district has an equalized assessed valuation for calendar year 2001 of at least \$737,000,000 and an enrollment for the 2002-2003 school year of at least 8,500;

(ii) the bonds are issued to purchase school sites, build and equip a new high school, build and equip a new junior high school, build and equip 5 new elementary schools, and make technology and other improvements and additions to existing schools;

(iii) at the time of the sale of the bonds, the board of education determines by resolution that the sites and new or improved facilities are needed because of projected

enrollment increases;

(iv) at least 57% of those voting in a general election held prior to January 1, 2003 approved a proposition for the issuance of the bonds; and

(v) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(p) Notwithstanding any other provisions of this Section or the provisions of any other law, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:

(i) The school district has an equalized assessed valuation for calendar year 2001 of at least \$295,741,187 and a best 3 months' average daily attendance for the 2002-2003 school year of at least 2,394.

(ii) The bonds are issued to build and equip 3 elementary school buildings; build and equip one middle school building; and alter, repair, improve, and equip all existing school buildings in the district.

(iii) At the time of the sale of the bonds, the board of education determines by resolution that the project is needed because of expanding growth in the school district and a projected enrollment increase.

(iv) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.

(q) A school district must notify the State Board of Education prior to issuing any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in this Section or any other provision of law.

(Source: P.A. 93-13, eff. 6-9-03; 93-799, eff. 7-22-04; 93-1045, eff. 10-15-04; revised 10-22-04.)

(105 ILCS 5/19-8) (from Ch. 122, par. 19-8)
Sec. 19-8. Bonds to pay claims.

Any school district or non-high district operating under general law or special charter having a population of 500,000 or less is authorized to issue bonds for the purpose of paying orders issued for the wages of teachers, or for the payment of claims against any such district.

Such bonds may be issued in an amount, including existing indebtedness, in excess of any statutory limitation as to debt.

~~When a school district complies with Sections 19-9 and 19-11 and bonds have been issued under this Section 19-8 by that school district and that district is certified as a financially distressed district under Section 19-1.5, the amount of those bonds, when and after they are issued, whether issued before or after such certification, shall not be considered debt under any statutory debt limitation and shall be excluded from the computation and determination of any statutory or other debt limitation applicable to the financially distressed district.~~

(Source: P.A. 88-641, eff. 9-9-94.)

(105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

Sec. 20-2. Indebtedness and bonds. For the purpose of creating a working cash fund, the school board of any such district may incur an indebtedness and issue bonds as evidence thereof in an amount or amounts not exceeding in the aggregate 85% of the taxes permitted to be levied for educational purposes for the then current year to be determined by multiplying the maximum educational tax rate applicable to such school district by the last assessed valuation as determined at the time of the issue of said bonds plus 85% of the last known entitlement of such district to taxes as by law now or hereafter enacted or amended, imposed by the General Assembly of the State of Illinois to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5, paragraph (c) of the Constitution of the State of Illinois, ~~except that a district that is certified~~

~~under Section 19-1.5 as a financially distressed district may incur an indebtedness and issue bonds as evidence thereof in an amount or amounts not exceeding in the aggregate 125% of the taxes permitted to be levied for educational purposes for the then current year to be determined by multiplying the maximum educational tax rate applicable to that school district by the last assessed valuation as determined at the time of the issuance of the bonds plus 125% of the last known entitlement of that district to taxes that by law now or hereafter enacted or amended are imposed by the General Assembly to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5, paragraph (c) of the Constitution of the State of Illinois.~~ The bonds shall bear interest at not more than the maximum rate authorized by the Bond Authorization Act, as amended at the time of the making of the contract, if issued before January 1, 1972 and not more than the maximum rate authorized by the Bond Authorization Act, as amended at the time of the making of the contract, if issued after January 1, 1972 and shall mature within 20 years from the date thereof. Subject to the foregoing limitations as to amount, the bonds may be issued in an amount including existing indebtedness which will not exceed the constitutional limitation as to debt, notwithstanding any statutory debt limitation to the contrary. ~~When bonds have been issued under this Article by a school district that is certified as a financially distressed district under Section 19-1.5, the amount of those bonds, when and after they are issued, whether issued before or after such certification, shall not be considered debt under any statutory debt limitation and shall be excluded from the computation and determination of any statutory or other debt limitation applicable to the financially distressed district.~~ The school board shall before or at the time of issuing the bonds provide for the collection of a direct annual tax upon all the taxable property within the district sufficient to pay the principal thereof at maturity

and to pay the interest thereon as it falls due, which tax shall be in addition to the maximum amount of all other taxes, either educational; transportation; operations and maintenance; or fire prevention and safety fund taxes, now or hereafter authorized and in addition to any limitations upon the levy of taxes as provided by Sections 17-2 through 17-9. The bonds may be issued redeemable at the option of the school board of the district issuing them on any interest payment date on or after 5 years from date of issue.

With respect to instruments for the payment of money issued under this Section either before, on, or after the effective date of this amendatory Act of 1989, it is and always has been the intention of the General Assembly (i) that the Omnibus Bond Acts are and always have been supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any provision of this Act that may appear to be or to have been more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary authority granted by the Omnibus Bond Acts, and (iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of this Act that may appear to be or to have been more restrictive than those Acts. (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

(105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

Sec. 20-3. Tax levy. For the purpose of providing moneys for a working cash fund, the school board of any such school district may also levy annually upon all the taxable property of their district a tax, known as the "working cash fund tax," not to exceed 0.05% of value, as equalized or assessed by the Department of Revenue; provided, that: ~~(1) no such tax shall be levied if bonds are issued in amount or amounts equal in the aggregate to the limitation set forth in Section 20-2 for the creation of a working cash fund.~~ ~~(2) no such tax shall be levied and extended by a school district that is not certified~~

~~as a financially distressed district under Section 19-1.5 if the amount of the tax so to be extended will increase the working cash fund to a total amount exceeding 85% of the taxes last extended for educational purposes of the district plus 85% of the last known entitlement of such district to taxes as by law now or hereafter enacted or amended, imposed by the General Assembly of the State of Illinois to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois; and (3) no such tax shall be levied or extended by a school district that is certified as a financially distressed district under Section 19-1.5 if the amount of the tax so to be extended will increase the working cash fund to a total amount exceeding 125% of the taxes last extended for educational purposes of the district plus 125% of the last known entitlement of that district to taxes that by law now or hereafter enacted or amended are imposed by the General Assembly to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois.~~ The collection of the tax shall not be anticipated by the issuance of any warrants drawn against it. The tax shall be levied and collected, except as otherwise provided in this Section, in like manner as the general taxes of the district, and shall be in addition to the maximum of all other taxes, either educational; transportation; operations and maintenance; or fire prevention and safety fund taxes, now or hereafter to be levied for school purposes. It may be levied by separate resolution by the last Tuesday in September in each year or it may be included in the certificate of tax levy filed under Section 17-11.

(Source: P.A. 87-984; 88-641, eff. 9-9-94.)

Sec. 20-5. Transfer to other fund. This Section shall not apply in any school district which does not operate a working cash fund.

Moneys, including interest earned from investment of the working cash fund as in this Section provided, shall be transferred from the working cash fund to another fund of the district only upon the authority of the school board which shall from time to time by separate resolution direct the school treasurer to make transfers of such sums as may be required for the purposes herein authorized.

The resolution shall set forth (a) the taxes in anticipation of which such transfer is to be made and from which the working cash fund is to be reimbursed; (b) the entire amount of taxes extended, or which the school board estimates will be extended or received, for any year in anticipation of the collection of all or part of which such transfer is to be made; (c) the aggregate amount of warrants or notes theretofore issued in anticipation of the collection of such taxes together with the amount of interest accrued and which the school board estimates will accrue thereon; (d) the aggregate amount of receipts from taxes imposed to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois, which the corporate authorities estimate will be set aside for the payment of the proportionate amount of debt service and pension or retirement obligations, as required by Section 12 of the State Revenue Sharing Act; and (e) the aggregate amount of money theretofore transferred from the working cash fund to the other fund in anticipation of the collection of such taxes. The amount which any such resolution shall direct the treasurer so to transfer, in anticipation of the collection of taxes levied or to be received for any year, together with the aggregate amount of such anticipation tax warrants or notes theretofore drawn against such taxes and the amount of interest accrued and estimated to accrue thereon and

the aggregate amount of such transfers to be made in anticipation of the collection of such taxes and the amount estimated to be required to satisfy debt service and pension or retirement obligations, as set forth in Section 12 of the State Revenue Sharing Act, shall not exceed 85% of the actual or estimated amount of such taxes extended or to be extended or to be received as set forth in such resolution ~~in the case of a school district that is not certified as a financially distressed district under Section 19-1.5 or 125% of the actual or estimated amount of the taxes extended or to be extended or to be received as set forth in the resolution in the case of a district that is certified as a financially distressed district under Section 19-1.5.~~ At any time moneys are available in the working cash fund they shall be transferred to the educational fund and disbursed for the payment of salaries and other school expenses so as to avoid, whenever possible, the issuance of anticipation tax warrants or notes.

Moneys earned as interest from the investment of the working cash fund, or any portion thereof, may be transferred from the working cash fund to another fund of the district without any requirement of repayment to the working cash fund, upon the authority of the school board by separate resolution directing the school treasurer to make such transfer and stating the purpose therefore as one herein authorized.

(Source: P.A. 87-970; 87-984; 87-1168; 88-9; 88-45; 88-641, eff. 9-9-94.)

(105 ILCS 5/17-2C rep.)

(105 ILCS 5/19-1.5 rep.)

Section 10. The School Code is amended by repealing Sections 17-2C and 19-1.5.

Section 90. The State Mandates Act is amended by adding Section 8.29 as follows:

(30 ILCS 805/8.29 new)

Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 94th General Assembly.

Section 99. Effective date. This Section and the provisions changing Section 1E-25 and 1E-35 of the School Code in Section 5 take effect upon becoming law. All of the other provisions of this Act take effect July 1, 2006.

INDEX

Statutes amended in order of appearance

105 ILCS 5/1A-8	from Ch. 122, par. 1A-8
105 ILCS 5/1B-5	from Ch. 122, par. 1B-5
105 ILCS 5/1B-8	from Ch. 122, par. 1B-8
105 ILCS 5/1F-20	
105 ILCS 5/1F-62	
105 ILCS 5/17-1	from Ch. 122, par. 17-1
105 ILCS 5/19-1	from Ch. 122, par. 19-1
105 ILCS 5/19-8	from Ch. 122, par. 19-8
105 ILCS 5/20-2	from Ch. 122, par. 20-2
105 ILCS 5/20-3	from Ch. 122, par. 20-3
105 ILCS 5/20-5	from Ch. 122, par. 20-5
105 ILCS 5/17-2C rep.	
105 ILCS 5/19-1.5 rep.	
30 ILCS 805/8.29 new	